



Department of Justice

FOR IMMEDIATE RELEASE
WEDNESDAY, APRIL 16, 2008
WWW.USDOJ.GOV

AT
(202) 514-2007
TDD (202) 514-1888

JAPAN AIRLINES INTERNATIONAL AGREES TO PLEAD GUILTY AND PAY CRIMINAL FINE FOR FIXING PRICES ON CARGO SHIPMENTS

WASHINGTON — Tokyo-based Japan Airlines International Co. Ltd. (JAL) has agreed to plead guilty and pay a \$110 million criminal fine for its role in a conspiracy to fix rates for international cargo shipments, the Department of Justice announced today.

According to the charges filed today in the U.S. District Court for the District of Columbia, JAL engaged in a conspiracy in the United States and elsewhere to eliminate competition by fixing the rates for international shipments of cargo to and from the United States and elsewhere from on or about April 1, 2000, to February 2006. During the time period covered by the felony charge, JAL was the largest carrier of cargo between the United States and Japan and earned almost \$2 billion from its cargo flights to and from the United States.

Under the plea agreement, which is subject to court approval, JAL has agreed to cooperate with the Department's ongoing investigation.

"This price-fixing conspiracy inflicted a heavy toll on American businesses and consumers," said Thomas O. Barnett, Assistant Attorney General in charge of the Department's Antitrust Division. "Japan Airlines is the fourth cargo carrier to admit to its involvement in this cartel and to agree to cooperate with an ongoing investigation."

JAL is charged with carrying out the price-fixing conspiracy with co-conspirators by:

- Participating in meetings, conversations and communications in the United States and elsewhere to discuss the cargo rates to be charged on shipments to and from the United States;
- Agreeing, during those meetings, conversations and communications, on the cargo rates for shipments to and from the United States;
- Levying cargo rates in accordance with the agreements reached; and
- Engaging in meetings, conversations and communications to monitor and enforce the agreed upon rates.

On August 23, 2007, British Airways Plc pleaded guilty and was sentenced to pay a \$300 million criminal fine for conspiring to fix cargo rates for international air shipments, including to

and from the United States, and to fix passenger fuel surcharges for long-haul international air transportation, including between the United States and United Kingdom. The same day, Korean Air Lines pleaded guilty and was sentenced to pay a \$300 million criminal fine for conspiring to fix cargo rates charged to customers in the United States and elsewhere for international air shipments and to fix wholesale and passenger fares for flights from the United States to Korea. On January 14, 2008, Qantas Airways Limited pleaded guilty and was sentenced to pay a \$61 million criminal fine for its role in a conspiracy to fix the rates of shipments of cargo to and from the United States and elsewhere.

JAL is charged with price fixing in violation of the Sherman Act, which carries a maximum fine of \$100 million for corporations. The maximum fine may be increased to twice the gain derived from the crime or twice the loss suffered by the victims of the crime, if either of those amounts is greater than the statutory maximum fine.

The ongoing investigation into the air transportation industry is being conducted by the Antitrust Division's National Criminal Enforcement Section and the FBI.

Anyone with information concerning price fixing or other anticompetitive conduct in the air transportation industry is urged to call the National Criminal Enforcement Section of the Antitrust Division at 202-307-6694 or the FBI Washington Field Office at 202-278-2000.

###

08-302